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Congress of the United States House of Representatives

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SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

November 14, 2018

Honorable Sonny Perdue
U.S. Department of Agriculture
1400 Independence Ave SW
Washington, DC 20250

Dear Secretary Perdue:

For the last several months, I have heard from constituents in the forest industry who have been significantly impacted by retaliatory trade actions taken by China on exports of U.S. logs. As you know, China has imposed new punitive tariffs on U.S. logs, both hardwood and softwood. These tariffs are in addition to China's decision in April of this year to impose what I believe to be unfair and unnecessary phytosanitary requirements on logs from the U.S.

It is my understanding that China's new enforcement of out-of-date and unworkable fumigation requirements on shipments from the U.S., including the use of methyl bromide, is much more restrictive than the regulations in place for other exporting nations such as the EU and Canada. The problem is compounded by the fact that China has implemented trade agreements with log exporting countries such as Australia and is currently negotiating an agreement with New Zealand.

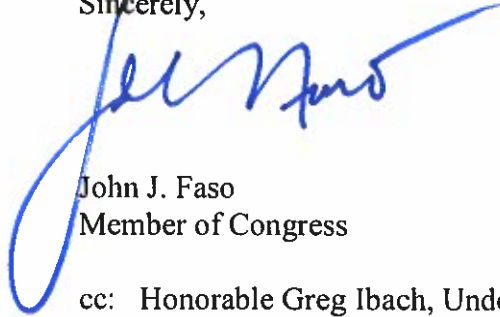
I believe China's non-tariff regulatory barriers are economically devastating to local companies and jeopardize long-term U.S. log shipments to China, valued at \$1.2 billion last year alone. If not addressed, these barriers pose a significant threat to U.S. exporters long after retaliatory tariff disputes are resolved.

As you know, the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 sets out trade negotiating priorities for the U.S. including more open and fair market access. The principle objective being the creation of competitive opportunity for the United States centered on robust phytosanitary standards that are science-based and improve regulatory coherence.

To that end, the log exporting industry has developed a comprehensive proposal based on international science-based standards that provide a transparent and workable phytosanitary protocol for U.S. logs. Not only does this protocol create certainty for U.S. exporters, it also provides for the use of an alternative fumigant to methyl bromide, sulfuryl fluoride. China allows logs from other origins which are treated with sulfuryl fluoride.

Treatment using sulfuryl fluoride is more cost effective and safer for handlers. Additionally, it has less of an impact on the environment. I urge you to pursue this with the Chinese authorities and give this letter your full and fair consideration.

Sincerely,



John J. Faso
Member of Congress

cc: Honorable Greg Ibach, Under Secretary for Marketing and Regulatory Programs
Honorable Ted McKinney, Under Secretary for Trade and Foreign Agricultural Affairs